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BK 0957 PG 0136

STATE MS.-DE SOTO CO.

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DEC 16 1 18 PM '97

BK 957 PG 136
W.E. DAVIS CH. CLK.

THIS INSTRUMENT PREPARED BY:

CHAMBLISS, BAHNER & STOPHEL, P.C.
1000 Tallan Building
Two Union Square
Chattanooga, Tennessee 37402
ATTENTION: James L. Crowder
423-756 3000

DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING

THIS INSTRUMENT SECURES AN OBLIGATION INCURRED FOR THE
CONSTRUCTION OF IMPROVEMENTS ON REAL PROPERTY AND IS A
"CONSTRUCTION MORTGAGE".

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made and given
as of December 12, 1997, by Jack R. Byrd and Amanda L. Byrd
(collectively "Grantor") whose address is 1809 Lynn Avenue,
Anderson, South Carolina, 29621-2051, to Robert E. Turner
("Trustee"), an individual whose address is 701 Market Street,
Chattanooga, Tennessee 37402, for the benefit of **FIRST TENNESSEE
BANK NATIONAL ASSOCIATION** ("Creditor"), a national banking
association, whose address is 701 Market Street, Chattanooga,
Tennessee, 37402, Attn: Tim Collins, Vice President

THIS INSTRUMENT CONSTITUTES A FIXTURE FILING. THE NAME OF THE
DEBTOR (GRANTOR HEREIN) IS JACK R. BYRD AND AMANDA L. BYRD, AND
THE NAME OF THE SECURED PARTY (COLLECTIVELY CREDITOR HEREIN) IS
FIRST TENNESSEE BANK NATIONAL ASSOCIATION. THE ADDRESSES OF THE
DEBTOR AND SECURED PARTY ARE SET FORTH HEREIN. A DESCRIPTION OF
THE ITEMS AND TYPES OF COLLATERAL COVERED BY THIS FIXTURE FILING
IS CONTAINED HEREIN. THIS FILING RELATES TO FIXTURES.

STATE MS.-DE SOTO CO. *we*
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DEC 22 3 09 PM '97

BK 958 PG 541
W.E. DAVIS CH. CLK.

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Grantor hereby grants, bargains, sells, transfers, conveys, and assigns unto Trustee, Trustee's successors and assigns, certain real property in Olive Branch, DeSoto County, Mississippi, described in Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH all right, title and interest of Grantor in and to all leases of and all options to purchase or lease the Property or any portion thereof or interest therein now or hereafter in effect, and all renewals and extensions thereof and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH all interest, estate or other claims, both in law and in equity, which Grantor now has or may hereafter acquire in the Property;

TOGETHER WITH all easements, rights-of-way and rights now or hereafter used in connection therewith or as a means of access thereto, and all tenements, hereditaments, and appurtenances thereof and thereto whether now or hereafter existing;

TOGETHER WITH all right, title and interest of Grantor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys, strips and gores of land adjacent to and used in connection with the Property;

TOGETHER WITH any and all buildings, improvements and fixtures now or hereafter erected thereon, including, but not limited to, the fixtures and attachments attached to said buildings and improvements and all materials, equipment, inventory, furnishings or other property whatsoever now or hereafter installed or used in and about the building or buildings on said Property, including but not limited to, all heating, plumbing, lighting, water heating, cooking, refrigerating, incinerating, ventilating and air conditioning equipment, storm doors and windows, shades, rugs, carpeting, awnings, blinds, drapes, and linoleums, and property of like nature, all of which property and things are hereby declared to be permanent accessions to the freehold and part of the realty conveyed herein (collectively the "Improvements");

TOGETHER WITH all of Grantor's interest and rights as lessor in and to all leases and subleases (oral or written) now or hereafter affecting the Property or Improvements or any part thereof ("Leases") and all rents, issues, security deposits, guarantees, proceeds and profits accruing and to accrue from the Property or Improvements, whether payable pursuant to a present

or future Lease or otherwise growing out of any occupancy or use of the Property or Improvements (the "Rents");

TOGETHER WITH all minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter on the Property or any portion thereof;

TOGETHER WITH all the estates, interests, rights, titles, other claims or demands, including claims or demands with respect to the proceeds of, and refunds of premiums on, insurance in effect with respect thereto, which Grantor now has or may hereafter acquire in or with respect to the Property and Collateral, as hereinafter defined, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Collateral, including any awards resulting from a change of grade of streets and awards for severance damages;

TOGETHER WITH all proceeds and products of any of the foregoing.

The Property, the Improvements, the Leases, the Rents, and the entire estates, properties and interests hereby conveyed to Trustee are referred to herein as the "Collateral."

TO HAVE AND TO HOLD the Collateral to Trustee and Trustee's successors in trust forever.

Grantor covenants that he is lawfully seized of the Collateral, has a good right to convey it, and the same is unencumbered.

Grantor further covenants and binds himself, his heirs, successors, and assigns, to warrant and defend the title to the Collateral to Trustee, Trustee's successors and assigns, forever against the lawful claims of all persons whomsoever.

HOWEVER, this conveyance is made in trust for the following uses and purposes, and for no other purposes, to-wit:

(a) To secure the payment of all indebtedness and obligations of Grantor under that certain Promissory Note (the "Note") of even date herewith payable by Grantor to Creditor under which Grantor is loaned the principal amount of Three Million One Hundred Ten Thousand Dollars (\$3,110,000.00) (the "Loan"), which Note has an initial maturity date of January 1, 2001, including all principal and interest thereunder, and any extensions, modifications, and/or renewals thereof, and all attorneys' fees, court costs, and expenses of whatever kind incident to the collection of said indebtedness and/or the enforcement and/or protection of the lien of this Deed of Trust.

(b) To secure the payment of all sums advanced by Creditor to protect the Collateral, with interest thereon at a rate equal to the highest rate allowed by applicable state or federal law in effect from time to time.

(c) To secure the performance of Grantor under that certain Construction Loan Agreement ("Loan Agreement") of even date herewith between Grantor and Creditor and any of the obligations of Grantor contained in this Deed of Trust, the Note, or any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby.

(d) To secure the payment and performance of all other indebtedness and obligations of Grantor, or his successors and assigns, to Creditor of every kind, nature and character which may be outstanding at any time, now or hereafter existing, howsoever evidenced or created, actual, direct, indirect, contingent or otherwise including any and all future advances regardless of the class of such future advances, and all interest, charges and amounts due on any of the foregoing and all renewals, extensions and modifications thereof.

If Grantor shall pay said indebtedness promptly when due and shall perform all covenants made by Debtor, then this conveyance shall be void and of no effect. If Grantor shall be in default as provided in Article 3 herein, then, in that event, the entire indebtedness, together with all interest accrued thereon, shall, at the option of Creditor, be and become at once due and payable without notice to Grantor, and Trustee shall, at the request of Creditor, sell the Property conveyed, or a sufficiency thereof, to satisfy the indebtedness at public outcry to the highest bidder for cash. Sale of the Property shall be advertised for three consecutive weeks preceding the sale in a newspaper published in the county where the Property is situated, or if none is so published, then in some newspaper having a general circulation therein, and by posting a notice for the same time at the courthouse of the same county. The notice and advertisement shall disclose the names of the original grantor in this Deed of Trust. Grantor waives the provisions of §89-1-55 of the Mississippi Code of 1972 as amended, if any, as far as this section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Property herein conveyed as a whole, regardless of how it is described.

This Deed of Trust, the Loan Agreement, the Note, and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby, may hereafter be referred to as the "Loan Instruments."

As part of the consideration for the indebtedness secured hereby and to protect the security of this Deed of Trust, Grantor covenants and agrees as follows:

ARTICLE 1

REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor represents and warrants:

1.1 Status of Grantor. Grantor has the corporate power to own and operate his property, to carry on his business as now conducted and to enter into and perform his obligations under the Loan Instruments.

1.2 Authorization; Validity. Grantor has the full legal right, power and authority to conduct his business and affairs in the manner contemplated by the Loan Instruments, and to enter into and perform his obligations thereunder without the consent or approval of any other person, firm, governmental agency or other legal entity. The execution and delivery of the Loan Instruments, and the performance by Grantor of his obligations thereunder, are within the powers of Grantor and do not, and will not contravene or conflict with any provision of law, any applicable judgment, ordinance, regulation or order of any court or governmental agency. The Loan Instruments are legal, valid and binding obligations of Grantor, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally.

1.3 Litigation. There are no actions, suits or proceedings pending, or, to the knowledge of Grantor, threatened, against or affecting Grantor or involving the validity or enforceability of any of the Loan Instruments or the priority of the liens thereof, at law or in equity, or before any governmental or administrative agency which, if adversely determined would impair the ability of Grantor to perform each and every one of his obligations under and by virtue of the Loan Instruments, and Grantor is not subject to or in default with respect to any order, writ, injunction, decree or demand of any court or other governmental authority.

1.4 Status of Collateral. The Collateral is free from all defects which would materially interfere with the value of the Collateral and is constructed in compliance with all federal, state and local laws, ordinances, covenants, conditions, restrictions, and reservations including, without limitation, zoning ordinances affecting the Property.

1.5 Survival of Representations and Warranties. Grantor covenants and agrees with Creditor that all representations and warranties of Grantor contained in the Loan Instruments shall be true at the time of the execution of each of the Loan Instruments, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

ARTICLE 2

COVENANTS AND AGREEMENTS OF GRANTOR

Grantor covenants and agrees:

2.1 Payment of Secured Obligations. Grantor shall pay when due the principal of, and the interest on, the indebtedness under the Note, charges, fees and all other sums as provided in the Loan Instruments, and the principal of, and interest on, any other amounts (including future advances) secured by this Deed of Trust.

2.2 Maintenance, Repair, Alterations. Grantor shall keep the Collateral in good condition and repair, ordinary wear and tear excepted; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations) any of the Collateral; complete promptly and in good and workmanlike manner any building or other improvements which may be constructed on the Property and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, and pay when due all claims for labor performed and materials furnished therefor; comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Collateral or any part thereof or requiring any alterations or improvements; neither commit nor permit any waste or deterioration of the Collateral; keep and maintain abutting grounds, sidewalks, roads, parking, and landscape areas in good and neat order and repair; not commit, suffer or permit any act to be done in or upon the Collateral in violation of any law, ordinance or regulation.

2.3 Required Insurance. Grantor shall provide, maintain and keep or cause to be maintained and kept in force the following policies of insurance:

(a) Insurance against loss or damage to the Improvements by fire and any of the risks covered by insurance of the type now known as "all risk" and "fire and extended coverage," in an amount not less than the full insurable replacement cost of the Improvements, with uniform standard coverage endorsement (limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State of Mississippi), and without deductible and without co-insurance. The term "full insurable replacement cost" as used herein shall mean the actual replacement cost or, at the option of Grantor, any lesser amount which is equal to or greater than the outstanding principal balance secured hereunder.

(b) During the course of any construction or repair of the Improvements on the Property, builder's completed value risk insurance against "all risks of physical loss," including collapse and transit coverage, during construction or repair of

the Improvements, covering the total value of work performed and equipment, supplies and materials furnished.

(c) Comprehensive public liability insurance, including broad form property damage coverage, with such limits as Creditor shall deem appropriate. Grantor shall also provide Creditor with certification from an insurance company showing that any general contractor performing work on or to the Property maintains similar coverage.

(d) Grantor will require any general contractor performing work on or to the Property to maintain appropriate worker's compensation insurance and will furnish certification of such coverage.

(e) If the Property is located in a special flood hazard area, as designated by United States Department of Housing and Urban Development, Grantor will maintain flood insurance in an amount satisfactory to Creditor.

(f) Grantor shall maintain or cause to be maintained such other insurance on the Collateral as may from time to time reasonably be required by Creditor against such other casualties or risks which at the time are commonly insured against in the case of premises similarly situated.

2.4 Delivery of Policies, Payment of Premiums. All policies of insurance shall be issued by companies and in amounts with each company satisfactory to Creditor. All policies of hazard insurance shall have attached thereto a lender's loss payable endorsement and a mortgage endorsement for the benefit of Creditor in form satisfactory to Creditor. All policies of liability insurance shall name Creditor as an additional insured. Such insurance policies shall waive any claim for premium against Creditor and shall provide that no breach of warranty or representation or act or omission of Grantor shall terminate, limit or affect the insurers' liability to Creditor. Grantor shall furnish Creditor with an original policy of all policies of required insurance or a certificate evidencing such coverage, and satisfactory proof of the payment of premiums. If Creditor consents to Grantor providing any of the required insurance through blanket policies carried by Grantor and covering more than one location, then Grantor shall furnish Creditor with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date. At least thirty (30) days prior to the expiration of each such policy, Grantor shall furnish Creditor with evidence satisfactory to Creditor of the payment of premiums and the reissuance of a policy continuing insurance in force as required by this Deed of Trust. All such policies shall contain a provision that such policies will not be cancelled or materially amended, which term shall include any reduction in the limits of coverage, without at least thirty (30)

days' prior written notice to Creditor. If Grantor fails to provide, maintain, keep in force or deliver and furnish to Creditor the policies of insurance required by this Section, Creditor may procure such insurance or single-interest insurance for such risks covering Creditor's interest, and Grantor will pay all premiums thereon promptly upon demand by Creditor, and until such payment is made by Grantor the amount of all such premiums together with interest thereon at a rate equal to the highest rate allowed under applicable state or federal law in effect from time to time shall be secured by this Deed of Trust.

2.5 Insurance Proceeds.

(a) If all or any part of the Improvements or Collateral shall be destroyed or damaged, Grantor shall promptly notify Creditor and the appropriate insurers. Grantor shall promptly file proof of loss with such insurers. Grantor hereby irrevocably appoints Creditor as his true and lawful attorney-in-fact with full power and authority in his name, place and stead, and for Creditor's use and benefit, to obtain, adjust and cancel any such insurance and insurance proceeds and to endorse settlement drafts. The net proceeds of the insurance policies required by Sections 2.3(a) or (b) shall be paid to Creditor to be held in a separate fund and applied either to repay the indebtedness secured hereby in inverse order of maturity and in such manner as Creditor in its sole discretion elects, whether due or not, or to restore the Improvements pursuant to this Section, the choice of application being solely at the discretion of Creditor.

(b) Unless the Loan and other amounts owing under the Note and all other sums secured hereby are paid in full by Grantor, Grantor shall promptly and diligently rebuild, restore, replace and repair the Improvements in such manner as to restore the same to at least the market value thereof immediately prior to such damage or destruction. If Creditor elects to apply, or permit Grantor to apply, the insurance proceeds with respect to such damage or destruction received and held by Creditor (as used in this Section, the "Proceeds") for such purpose, Creditor shall make payments from such separate fund for the costs of such rebuilding, restoration, replacement, and repair or to reimburse Grantor for costs paid by it in connection therewith upon receipt of: (i) a requisition acceptable to Creditor signed by Grantor stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid and (4) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate fund and has not been the basis of any previous withdrawal; (ii) lien waivers of contractors, subcontractors and other independent workers; (iii) certifications of construction inspectors, engineers and/or architects; (iv) proof of payment of all bills for labor and materials; and (v) such other supporting documentation,

information and evidence as Creditor may require. If there shall remain any Proceeds after such restoration and repair, Creditor shall apply such balance of the Proceeds to the prepayment of any indebtedness hereby secured in inverse order of maturity and in such manner as Creditor in its sole discretion elects. If all indebtedness secured hereby has been paid in full, Creditor shall assign and pay over to Grantor any such remaining balance. If the Proceeds are not made available to Grantor or are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in this Section, Grantor will nonetheless complete the work and will pay any cost in excess of the amount of the Proceeds made available. If Creditor reasonably determines that the Proceeds are insufficient to complete any such repair, restoration, modification or improvement, Creditor may require Grantor to deposit the amount of any such deficiency into the separate fund, to be disbursed pursuant hereto. Grantor agrees that if by reason of any such insufficiency of the Proceeds, Grantor shall make any payments pursuant to the provisions of this Section, Grantor shall not be entitled to any reimbursement therefor from Creditor or from any assignee of the Note, nor shall Grantor be entitled to any diminution of the amounts secured hereby.

(c) If all or any part of the Improvements shall be damaged or destroyed, Grantor, in lieu of such rebuilding, restoring, replacing and repairing as herein provided, may promptly pay or prepay, as applicable, the Loan and all other sums secured hereby. Upon such payments and/or prepayments, Grantor shall be entitled to the Proceeds and Creditor shall assign and pay over to Grantor such Proceeds.

(d) In no event shall Creditor be held responsible for the failure to pay for any insurance required hereby or for any loss or damage growing out of a defect in any policy thereof or growing out of any failure of any insurance company to pay for any loss or damage insured against or failure by Creditor to obtain such insurance or to collect the proceeds thereof.

2.6 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Collateral in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Grantor in and to all policies of insurance required herein, including without limitation refunds of premiums thereon, shall inure to the benefit of and pass to the successor in interest of Grantor or the purchaser or grantee of the Collateral.

2.7 Indemnification; Subrogation; Waiver of Offset.

(a) If Creditor is made a party defendant to any proceeding or litigation concerning this Deed of Trust or the Collateral or any part thereof or interest therein, or the occupancy thereof by Grantor, Grantor shall defend, indemnify and

hold harmless Creditor from any and all liability, including reasonable attorneys' fees and expenses incurred by Creditor in any such proceeding or litigation, regardless whether such proceeding or litigation is prosecuted to judgment and regardless of the basis of any such proceeding or litigation. If Trustee is made a party defendant to any proceeding or litigation concerning this Deed of Trust or any part thereof or interest therein, or the occupancy thereof by Grantor, and such proceeding or litigation is not based on gross negligence or willful misconduct of Trustee, then Grantor shall indemnify, defend and hold harmless Trustee from all liability by reason of said proceedings or litigation, including reasonable attorneys' fees and expenses incurred by Trustee in any such litigation, whether or not any such litigation is prosecuted to judgment. If Creditor or Trustee commences an action against Grantor to enforce any of the terms hereof or because of the breach by Grantor of any of the terms hereof, or for the recovery of any sum secured hereby, Grantor shall pay to Creditor or Trustee, reasonable attorneys' fees and expenses, and the right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action (but shall include attorneys' fees and expenses incurred by Creditor or Trustee prior to the commencement of such action), and shall be enforceable whether or not such action is prosecuted to judgment. If Grantor breaches any term of this Deed of Trust, Creditor or Trustee may employ an attorney or attorneys to protect Trustee's and/or Creditor's interests hereunder, and in the event of such employment following any breach by Grantor, Grantor shall pay Creditor or Trustee reasonable attorneys' fees and expenses incurred by Trustee and/or Creditor whether or not an action is actually commenced against Grantor by reason of such breach.

(b) Grantor waives any and all right to claim or recover against Trustee and/or Creditor, their officers, employees, agents and representatives, for loss of or damage to Grantor, the Collateral, Grantor's property or the property of others under Grantor's control.

(c) All sums payable by Grantor hereunder shall be paid without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Grantor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Collateral or any part thereof; (ii) any restriction or prevention of or interference with any use of the Collateral or any part thereof; (iii) any title defect or encumbrance or any eviction from the Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Creditor, or any action taken with respect to this Deed of Trust

by any trustee or receiver of Creditor, or by any court, in any such proceeding; or (v) any claim which Grantor has or might have against Creditor concerning this Deed of Trust or any indebtedness hereby secured; whether or not Grantor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Grantor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Grantor.

2.8 Taxes and Impositions.

(a) Grantor agrees to pay, prior to delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-governmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Collateral, which are assessed or imposed upon the Collateral, or become due and payable, and which create, may create or appear to create a lien upon the Collateral, or any part thereof, or upon any equipment or facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental or non-governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid in installments, Grantor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Collateral in lieu of or in addition to the Impositions payable by Grantor pursuant to subsection (a) hereof, or (ii) a license fee, tax or assessment imposed on Creditor and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subsection (a) hereof, and Grantor shall pay and discharge the same as herein provided with respect to the payment of Impositions. Anything to the contrary herein notwithstanding, Grantor shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Creditor or on the obligations secured hereby.

(c) Subject to the provisions of subsection (d) of this Section, Grantor covenants to furnish Creditor within thirty (30) days after the date upon which any such Imposition is due and payable by Grantor, official receipts of the appropriate

taxing authority or other proof satisfactory to Creditor, evidencing the payments thereof.

(d) Grantor shall have the right before any delinquency occurs to contest or object to the amount or validity of any such Impositions by appropriate legal proceedings; but this shall not be deemed or construed in any way as relieving, modifying or extending Grantor's covenant to pay any such Imposition at the time and in the manner provided in this Section, unless Grantor has given prior written notice to Creditor of Grantor's intent to so contest or object to an Imposition, and unless, at Creditor's sole option, (i) Grantor shall demonstrate to Creditor's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Collateral, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (ii) Grantor shall furnish a good and sufficient bond or surety as required by and satisfactory to Creditor; or (iii) Grantor shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(e) Subject to the provisions of subsection (d) of this Section, if Grantor fails to pay at least ten (10) days prior to delinquency any Imposition, Creditor may pay such Imposition, and Grantor will repay to Creditor the amount of such Imposition paid by Creditor, together with interest thereon from the date of payment by Creditor at a rate equal to the highest interest rate allowed by applicable state or federal law in effect from time to time, which amounts shall be secured by this Deed of Trust.

(f) Grantor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Collateral as a single lien.

2.9 Utilities. Grantor shall pay when due all utility charges which are incurred by Grantor for the benefit of the Collateral or which may become a charge or lien against the Collateral for gas, electricity, water or sewer services furnished to the Collateral and all other assessments or charges of a similar nature, whether public or private, affecting the Collateral or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

2.10 Actions Affecting Collateral. Grantor shall appear in, defend and contest any action or proceeding against all persons and all claims and demands purporting to affect the Collateral or the security hereof or the rights or powers of Creditor or Trustee; and pay all costs and expenses, including

costs of evidence of title and attorneys' fees, in any such action or proceeding in which Creditor or Trustee may appear.

2.11 Actions by Trustee and/or Creditor to Preserve Collateral. If Grantor fails to make any payment or fails to do any act as and in the manner provided in any of the Loan Instruments, Creditor and/or Trustee, without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from or waiving any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers), Creditor and/or Trustee shall have and are hereby given the right, but not the obligation, (i) after notice to Grantor, to enter upon and take possession of the Collateral; (ii) after notice to Grantor, to make additions, alterations, repairs and improvements to the Collateral which they or either of them may consider necessary or proper to keep the Collateral in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Creditor or Trustee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect or appear to affect the security of this Deed of Trust or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Grantor shall, immediately upon demand therefor by Creditor or Trustee, as the case may be, pay all costs and expenses incurred by such party in connection with the exercise by such party of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorneys' fees, together with interest thereon at highest rate allowed by applicable law.

2.12 Eminent Domain.

(a) If the Collateral, or any part thereof or interest therein, is taken or damaged by reason of, or in lieu of any public improvements or condemnation proceedings, or in any other manner ("Condemnation"), or if Grantor receives any notice or other information regarding such proceedings, Grantor shall give prompt written notice thereof to Creditor.

(b) Creditor shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Creditor shall also be entitled to make such compromise or settlement in connection with such taking or damage as Creditor may deem appropriate. All such compensation, awards, damages, rights of action and proceeds awarded to Grantor (as used in this Section, the "Proceeds") are hereby assigned to Creditor and Grantor agrees to execute such further assignments of the Proceeds as Creditor or Trustee may

require. The Proceeds shall be held in a separate fund and applied either to repay the indebtedness secured hereby in inverse order of maturity and in such manner as Creditor in its sole discretion elects, whether due or not, or to restore the Improvements, the choice of application being solely at the discretion of Creditor.

(c) Unless the Loan and other amounts owing under the Note and all other amounts secured hereby are paid in full by Grantor pursuant to Section 2.12(d) hereof, in the event any portion of the Collateral is so taken or damaged, Grantor shall promptly and diligently restore the Collateral to such condition as shall be reasonable in view of the nature of the taking and the intended use of the Collateral by the Grantor. If Creditor elects to apply, or permit Grantor to apply, the Proceeds for such purpose, Creditor shall make payments from such separate fund for the costs of such restoration or to reimburse Grantor for costs paid by it in connection therewith upon receipt of: (i) a requisition acceptable to Creditor signed by Grantor stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid and (4) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate fund and has not been the basis of any previous withdrawal; (ii) lien waivers of contractors, subcontractors and other independent workers; (iii) certifications of construction inspectors, engineers and/or architects; (iv) proof of payment of all bills for labor and materials; and (v) such other supporting documentation, information and evidence as Creditor may require. If there shall remain any balance of such Proceeds, the Creditor shall apply the balance of the Proceeds to the prepayment of any indebtedness hereby secured in inverse order of maturity and in such manner as Creditor in its sole discretion elects. If all indebtedness secured hereby has been paid in full, Creditor shall assign and pay over to Grantor any such remaining balance. If the Proceeds are not made available to Grantor or are insufficient to pay in full the cost of any restoration referred to in this Section, Grantor will nonetheless complete the work and will pay any cost in excess of the amount of the Proceeds made available. If the Creditor reasonably determines that the Proceeds are insufficient to complete any such repair, restoration, modification or improvement, Creditor may require Grantor to deposit the amount of any such deficiency into the separate fund, to be disbursed pursuant hereto. Grantor agrees that if by reason of any such insufficiency of the Proceeds, Grantor shall make any payments pursuant to the provisions of this Section, Grantor shall not be entitled to any reimbursement therefor from Creditor or from any assignee of the Note, nor shall Grantor be entitled to any diminution of the amounts secured hereby.

(d) If any portion of the Collateral is so taken or damaged, Grantor may, in lieu of such rebuilding and restoring as

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herein provided, promptly pay or prepay, as applicable, the Loan and all other sums secured hereby. Upon such payments and/or repayments, Grantor shall be entitled to the Proceeds and Creditor shall assign and pay over to Grantor all such Proceeds.

2.13 Additional Security. If Creditor at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder.

2.14 Appointment of Successor Trustee. Creditor may, from time to time, in Creditor's sole discretion, without cause, by a written instrument executed and acknowledged by Creditor, mailed to Grantor and recorded in the County in which the Collateral is located and by otherwise complying with the provisions of the applicable law of the State of Mississippi, substitute a successor or successors to Trustee named herein or acting hereunder. Such new Trustee or Trustees shall thereupon become successors to the title of the Collateral and shall become vested in trust for the purposes and objects of these presents with all of the powers, duties and obligations herein conferred upon Trustee in the same manner and to the same effect as if originally named herein. Grantor, for himself and his successors and assigns, and Trustee named herein or substituted hereunder, expressly waive notice of the exercise of such power and the giving of bond by any Trustee or substituted Trustee.

2.15 Successors and Assigns. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Creditor" as used herein shall refer to any assignee of the Note from time to time.

2.16 Inspections. Creditor, or its agents, representatives or workmen, is authorized to enter at any reasonable time upon or in any part of the Collateral for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

2.17 Liens. Grantor shall pay and promptly discharge, at Grantor's cost and expense, all liens, encumbrances and charges upon the Collateral, or any part thereof or interest therein. Grantor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Grantor shall first post as provided by law a bond or other security satisfactory to Creditor in such amounts as Creditor shall reasonably require, not exceeding amounts required by pertinent bonding statutes, and provided further that, if suit to foreclose is filed, Grantor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If Grantor shall fail to discharge any such lien,

encumbrance or charge, then, in addition to any other right or remedy of Creditor, Creditor may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law.

2.18 Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Creditor and presentation of this Deed of Trust and the Note secured hereby, and without affecting the liability of any person or entity for the payment of any obligation herein mentioned or the effect of this Deed of Trust upon the remainder of said Collateral, Trustee may (i) release any part of said Collateral, (ii) consent in writing to the recording of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

2.19 Creditor's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned and without affecting the lien or charge of this Deed of Trust upon any portion of the Collateral not then or theretofore released as security for the full amount of all unpaid obligations, Creditor may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or cause to be released at any time any parcel, portion or all of the Collateral, (v) take or release any other or additional security for any obligation herein mentioned, (vi) make compositions or other arrangements with debtors in relation thereto, (vii) take any other action which might in any manner or to any extent vary the risk to Grantor.

2.20 Financial Statements. Promptly after the same are available, Grantor shall deliver to Creditor and Trustee, on an annual basis, current financial statements and information, which shall also include annual income and expense statements for the Collateral. Grantor shall at all times during the term of the Loan maintain a 1.05 Debt Service Coverage Ratio (Income less expense divided by Debt Service) for the Collateral.

2.21 Application of Funds. Should any default occur or exist on the part of Grantor in the payment or performance of any of Grantor's obligations under the terms of any of the Loan Instruments, Creditor may, at any time, at Creditor's option, apply any sums or amounts in its hands received pursuant hereto, or as Rents or income of the Collateral, or otherwise, upon any indebtedness or obligation of Grantor secured hereby in such manner and order as Creditor may elect. The receipt, use or application of any such sums paid by Grantor to Creditor

hereunder shall not be construed to affect the maturity of any indebtedness secured by this Deed of Trust or any of the rights or powers of Creditor or Trustee under the terms of any Loan Instrument or any of the remaining obligations of Grantor under the Loan Instruments.

2.22 Escrow of Insurance Premiums and Taxes. If requested by Creditor, Grantor agrees that it shall pay to Creditor on the due date of each monthly installment under the Note, an amount which, in the reasonable estimation of Creditor, shall be equal to 1/12 of the annual taxes, assessments, insurance premiums, or other similar charges against the Collateral, required to be paid as set out herein. Such payments shall not be, nor be deemed to be, trust funds, and no interest shall be payable in respect thereof. In the event said monthly deposits are insufficient to pay any of the charges set out, Grantor agrees, on demand by Creditor, to pay such additional amount as is necessary to make up any such deficiency. In the event of a default by Grantor in the performance of any of the terms, covenants, or conditions of this Deed of Trust or the other Loan Instruments, Creditor may apply any funds of Grantor then in the possession of Creditor pursuant to this subsection to the indebtedness secured hereby, or upon any other charges affecting the security of Creditor, as Creditor sees fit, but no such application shall be deemed to have been made by operation of law or otherwise until actually made by Creditor as herein provided, nor shall any application be deemed to affect any right or remedy of Creditor hereunder or under any statute or rule of law. If deposits are being made with Creditor, Grantor shall furnish Creditor with bills for the charges for which such deposits are required to be made hereunder and/or such other documents necessary for the payment of same, not later than thirty (30) days prior to the date upon which the charges first become payable. The enforceability of the covenants relating to taxes, assessments, and insurance premiums provided elsewhere herein shall not be affected except insofar as those obligations have been met by compliance with this Section. Creditor may, from time to time, at its option, waive, and after such waiver reinstate, any or all of the provisions hereof requiring such deposits, by notice to Grantor in writing. While any such waiver is in effect, Grantor shall pay the taxes, assessments, insurance premiums, and other charges as provided herein.

2.23 Possession of Collateral. Grantor shall retain possession of the Collateral until the indebtedness secured hereby is paid in full and shall not sell, exchange, assign, loan, deliver, lease, transfer, mortgage or otherwise dispose of any or all of the Collateral without the prior written consent of Creditor.

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2.24 Environmental Matters.

(a) Grantor represents and warrants that (i) there are no Hazardous Materials (as hereinafter defined) on the Property, (ii) no spill, release, discharge or disposal of Hazardous Materials has occurred or is presently occurring on, onto or adjacent to the Property, (iii) no spill, release, discharge or disposal of Hazardous Materials has occurred or is occurring off the Property as a result of any construction on or operation and/or use of the Property, (iv) the Property has never been used as a sanitary landfill or as a hazardous or solid waste treatment or disposal facility, and (v) there are no underground storage tanks on the Property. Grantor further represents that, in connection with any construction on or operation and/or use of the Property, the Property and his intended use comply in all respects with all applicable local, state and federal environmental laws, regulations, rules, guidelines, ordinances and administrative and judicial orders and rulings, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. §9601, et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C.A. §1801, et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C.A. §6901, et seq., the Clean Air Act, as amended, 42 U.S.C.A. §7401, et seq., the Clean Water Act of 1977, as amended, 33 U.S.C.A. §1251, et seq., the Federal Hazardous Substances Act, as amended, 15 U.S.C.A. §1261, et seq., the Toxic Substances Control Act, as amended, 15 U.S.C.A. §2601, et seq., and any other laws, regulations, rules, guidelines, ordinances and administrative and judicial orders or rulings promulgated by the City of Olive Branch, the County of DeSoto, or the State of Mississippi (collectively the "Applicable Law").

(b) Grantor represents and covenants that the Property has not been, is not, and shall not be used for any activities involving, directly or indirectly, the use, generation, release, treatment, storage or disposal of any Hazardous Materials. Grantor shall neither directly nor indirectly transport or arrange for the transport of any Hazardous Materials. Grantor shall comply in all respects with all applicable requirements of Applicable Law and shall notify Creditor promptly in the event of any violation or suspected violation of Applicable Law or upon Grantor's obtaining knowledge of any incurrence of any expense or loss by any governmental authority in connection with Applicable Law for which Grantor may be liable or for which expense a lien may be imposed upon the Property, and shall promptly forward to Creditor copies of any and all orders, notices, permits, applications or other communications and reports in connection with any such violation or any other matters relating to Applicable Law.

(c) Grantor shall indemnify and hold Creditor and Trustee harmless from and against any and all losses, costs,

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damages, claims, liabilities and expenses, including attorneys' fees, incurred by either Creditor or Trustee arising out of or relating to (i) the presence of any Hazardous Materials on the Property or on any other real property now or hereafter securing payment of the Note or any other indebtedness secured hereby, (ii) any violation or alleged violation of Applicable Law, whether attributable to events occurring before or after Grantor's acquisition of Property, or (iii) any inaccuracy or violation of any representation or warranty set forth herein. Grantor understands and agrees that the indemnity provided herein shall survive the payment of the Note and any other obligations of Grantor to Creditor, the termination of this Deed of Trust and the foreclosure or acquisition of title by Creditor to any of the Collateral, and shall continue in full force and effect until the expiration of any applicable periods of limitation with respect to any loss or liability covered by such indemnity.

(d) Grantor shall, in the event of any material change in the laws governing the assessment, release or removal of Hazardous Materials, which change would lead a prudent lender in possession of the tests and information relative to the Property in the possession of Creditor to require additional testing to avail itself of any statutory insurance or limited liability, take all such action (including, without limitation, the conducting of engineering tests at the sole expense of Grantor) as may be requested by Creditor to confirm to Creditor that no Hazardous Material is or ever was stored, released or disposed of on the Property. In addition to the foregoing, Creditor may once during the term of this Deed of Trust at its election and in its sole discretion, for any reason or for no reason, without regard to whether Grantor is in default, obtain at the sole cost and expense of Grantor a complete environmental assessment of the Property prepared by a geohydrologist, an independent engineer or other qualified consultant or expert approved by Creditor evaluating or confirming (i) whether any Hazardous Materials are present in the soil or water at or immediately adjacent to the Property and (ii) whether the use and operation of the Property comply with Applicable Law. Environmental assessments may include detailed visual inspections of the Property including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses as are reasonably necessary or appropriate for a complete determination of the compliance of the Property and the use and operation thereof with Applicable Law.

(e) As used in this Deed of Trust, the term "Hazardous Materials" shall mean friable asbestos or other asbestos contaminating material, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum byproducts, pesticides, herbicides, and any and all substances and materials now or hereafter defined or designated as "hazardous substances,"

"hazardous materials," or "toxic substances" or any similar substance or material under Applicable Law.

2.25 Sale of Premises.

In order to induce Creditor to make this loan, Grantor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed, mortgaged, or otherwise alienated by Grantor whether voluntarily, or involuntarily or by operation of law, or that if the management thereof is changed, in either or any case without the prior written consent of Creditor, Creditor, at its option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the beneficial ownership of Grantor or in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, whether or not of record and whether or not for consideration or sale, shall be deemed a transfer of an interest in the Premises.

In the event ownership of the Premises, or any part thereof, becomes vested in a person or persons other than Grantor, without the prior written approval of Creditor, the Creditor may, without notice to the Grantor waive such default and deal with such successor or successors in interest with reference to this Deed of Trust, and the Note in the same manner as with Grantor, without in any way releasing, discharging or otherwise affecting the liability of Grantor hereunder, or for the Deed of Trust indebtedness hereby secured. No sale of the Premises, no forbearance on the part of Creditor, no extension of the time for the payment of the Deed of Trust indebtedness or any change in the terms thereof consented to by Creditor shall in any way whatsoever operate to release, discharge, modify, change or affect the original liability of Grantor herein, either in whole or in part. Any deed conveying the Premises, or any part thereof, if approved by Creditor in writing, shall provide that the grantee thereunder assume all of the Grantor's obligations under the Deed of Trust, the Note and all other instruments or agreements evidencing or securing the repayment of the indebtedness secured by this Deed of Trust. In the event such deed shall not contain such assumption, Creditor shall have all rights reserved to it hereunder in the event of a default or if Creditor shall not elect to exercise such rights and remedies, the grantee under such deed shall nevertheless be deemed to have assumed such obligations by acquiring the Premises or such portion thereof subject to this Deed of Trust.

Grantor shall not voluntarily, involuntarily or by operation of law sell, assign, transfer or otherwise dispose of the Collateral or any interest therein and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security hereunder except that so long as this Deed of Trust is not in default, Grantor shall be permitted to sell or otherwise dispose of the Collateral when absolutely worn out,

inadequate, unserviceable or unnecessary for use in the operation of the real estate described in Exhibit "A" in the conduct of the business of Grantor, upon replacing the same or substituting for the same other Collateral at least equal in value to the initial value of that disposed of and in such a manner so that such Collateral shall be subject to the security interest created hereby and so that the security interest of the Creditor hereunder shall be the first priority security interest in the Collateral. In the event the Collateral is sold in connection with the sale of the real estate described in Exhibit "A", Grantor shall require, as a condition of the sale, that the buyer specifically agrees to assume Grantor's obligations as to the security interest herein granted and to execute whatever agreements and filings are deemed necessary by Creditor to maintain its perfected security interest in the Collateral.

ARTICLE 3

DEFAULT, REMEDIES UPON DEFAULT

3.1 Events of Default. Any of the following events shall be deemed an event of default hereunder:

(a) Grantor fails to make a payment of any installment of principal or interest under the Note or fails to pay or perform any other indebtedness or obligation secured hereby when due, subject to any applicable grace period for such payment or performance; or

(b) Grantor files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, or similar relief for himself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or seeks or consents to acquiesce in the appointment of any trustee, receiver or liquidator of Grantor or of all or any part of the Collateral, or of any or all of the royalties, revenues, Rents, issues or profits thereof, or makes any general assignment for the benefit of creditors, or admits in writing his inability to pay his debts generally as they become due; or

(c) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Grantor seeking any reorganization or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Grantor or of all or any part of the Collateral, or of any or all of the royalties, revenues, Rents, issues or

profits thereof, shall be appointed without the consent or acquiescence of Grantor and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Collateral, or any judgment involving monetary damages shall be entered against Grantor which shall become a lien on the Collateral or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy; or

(e) Except as expressly permitted in the Loan Instruments, the Property, or any part thereof or interest therein comprising part of the Collateral, is sold, mortgaged, conveyed, transferred or otherwise alienated (each of the foregoing hereinafter being referred to as a "sale") without, in each instance, the prior written consent of Creditor; or

(f) There has occurred an event of default under the Note or a breach of or default under any other term, covenant, agreement, condition, provision, representation or warranty contained in any of the Loan Instruments or any part thereof; or

(g) There has occurred a material loss to or theft or destruction of the Collateral; or

(h) The Collateral, or any part thereof or interest therein, is vacated or abandoned by Grantor; or

(i) Any Condemnation proceedings are initiated against any of the Collateral.

3.2 Acceleration Upon Event of Default; Additional Remedies. In the event of any event of default, Creditor may declare all indebtedness secured hereby to be immediately due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter Creditor may;

(a) Either in person or by agent, with or without bringing any action or proceedings, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Collateral, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability, or rentability of the Collateral, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Collateral, sue for or otherwise collect the Rents, including those past due and unpaid; and apply the same, less costs and

expenses of operation and collection including attorneys' fees, upon any indebtedness secured hereby, all in such order as Creditor may determine. The entering upon and taking possession of the Collateral, the collection of Rents, and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Collateral or the collection, receipt and application of Rents, Trustee or Creditor shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale as authorized by law;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Direct Trustee to enter and take possession of the Collateral, and before or after entry, to exercise the power of sale hereby granted to Trustee.

3.3 Foreclosure By Power of Sale.

(a) Should Creditor elect to foreclose by exercise of the power of sale herein referred to, Creditor shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(b) Upon receipt of Creditor's request so to do, Trustee shall proceed to sell the Collateral, by causing to be published a notice of sale as then required by law. Trustee shall, without demand on Grantor, after publication of notice of sale having been made as required by law, sell the Collateral at the time and place of sale fixed by it in said notice of sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as Trustee may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof Trustee's good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including without limitation, Grantor, Trustee or Creditor, may purchase at such sale.

(c) After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with interest thereon at a rate equal to the

highest rate allowed by applicable law in effect from time to time; all other sums secured hereby in such manner as Creditor in its sole discretion may elect; and the remainder, if any, to the person or persons legally entitled thereto.

(d) Trustee may postpone sale of all or any portion of the Collateral by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale. Trustee may appoint an agent to sell the Collateral in accordance with the power of sale contained herein and to take other action which the Trustee may take hereunder.

(e) Before taking any action hereunder Trustee may require that satisfactory indemnity be furnished for the reimbursement of all costs and expenses to which Trustee may be put and to protect Trustee against all liability, except liability which is adjudicated to have resulted from Trustee's gross negligence or willful default by reason of such action. Trustee shall not be required to see that this Deed of Trust is recorded nor be liable for its validity or its priority as a first Deed of Trust or otherwise, nor shall Trustee be answerable for the default or misconduct of any agent or attorney appointed by Trustee in good faith in pursuance hereof. Trustee may act upon any instrument believed by Trustee in good faith to be genuine and to be signed by the proper party or parties and shall be fully protected for any action taken or suffered by it in reliance thereon. Trustee shall be entitled to reasonable compensation for all services rendered in the execution of the trust hereby created. All costs, expenses and liability for which Trustee is indemnified hereunder or pursuant hereto, Grantor agrees to pay, and until the payment thereof, the Collateral is hereby charged with the payment of the same in full as an obligation secured hereby. Trustee, at any time, may consult counsel for the purposes of this trust and shall be protected in any action taken or suffered by Trustee in accordance with the opinion of said counsel.

3.4 Appointment of Receiver. If an event of default described in Section 3.1 of this Deed of Trust shall have occurred and be continuing, Creditor, as a matter of right and without notice to Grantor or anyone claiming under Grantor, and without regard to the then value of the Collateral or the interest of Grantor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Collateral, and Grantor hereby irrevocably consents to such appointment and waives notice of any application thereof. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Creditor in case of entry as provided in Section

3.2(a) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Collateral, unless such receivership is sooner terminated.

3.5 Remedies Not Exclusive; Rights of Secured Party and Assignee.

(a) Trustee and Creditor, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force, including but not limited to any and all remedies available to Creditor under Mississippi Code Sections 89-1-43, et seq., notwithstanding some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Creditor's right to realize upon or enforce any other security now or hereafter held by Trustee or Creditor, it being agreed that Trustee and Creditor, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Creditor or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Creditor is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Creditor or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Creditor and either of them may pursue inconsistent remedies.

(b) Without limiting the generality of the foregoing, the parties expressly agree that insofar as the portion of the Collateral constituting fixtures or personal property (tangible or intangible) is concerned, this Deed of Trust is hereby made and declared to be a security agreement in compliance with the provisions of the Uniform Commercial Code as enacted in the State of Mississippi, and Grantor hereby grants Creditor a continuing security interest in the Collateral as security for the prompt payment and performance of all indebtedness and obligations secured hereby. Upon the occurrence of any event of default hereunder, in addition to all other remedies contained in the Deed of Trust, Creditor shall have all remedies available to a secured party pursuant to the Uniform Commercial Code as enacted in Mississippi, and all proceeds from any sale of Collateral shall be applied first to costs and expenses of collection

including attorney's fees and then as set forth in Section 3.3(c).

(c) The assignment of Leases and Rents contained in this Deed of Trust, shall constitute an absolute assignment of such Leases and Rents to Creditor and to Trustee for the benefit of Creditor, and Grantor hereby assigns and transfers to Creditor all of such Leases and Rents as security for the prompt payment and performance of all indebtedness and obligations secured hereby. Notwithstanding the assignment of Leases and Rents contained in this Deed of Trust, so long as no event of default has occurred, Grantor shall have a license (such license to be deemed revoked upon the occurrence of an event of default) to collect, retain and enjoy all Rents, provided that the existence or exercise of any such right of Grantor shall not operate to subordinate the assignment of Leases and Rents contained in this Deed of Trust to any subsequent assignment, in whole or in part, by Grantor, and any subsequent assignment by Grantor shall be subject to the rights of Creditor and Trustee hereunder. The assignment of Leases and Rents contained in this Deed of Trust shall not be deemed or construed to constitute Creditor or Trustee as a mortgagee in possession nor obligate Creditor or Trustee to take any action or to incur any expenses or perform or discharge any obligation, duty or liability.

3.6 Grantor's Waiver of Certain Rights. Grantor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Collateral, and (ii) in any way extending the time for the enforcement of the collection under the Note, the debt evidenced thereby or any other indebtedness secured hereby or creating or extending a period of redemption from any sale made in collecting any of such indebtedness. To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing that any appraisal, valuation, stay, extension or redemption, and Grantor, for Grantor, Grantor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby waives and releases all rights of redemption, including any statutory right of redemption, the equity of redemption, homestead, dower, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness, and marshalling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Grantor, Grantor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Grantor expressly waives and relinquishes any and all rights and remedies which Grantor may have or be able to assert by reason of the laws of

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the State of Mississippi pertaining to the rights and remedies of sureties.

ARTICLE 4

MISCELLANEOUS

4.1 Governing Law. This Deed of Trust shall be governed by the laws of the State of Mississippi (except to the extent that Federal law may preempt Mississippi law, in which case Federal law shall control). In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

4.2 Limitation of Interest. It is the intent of Grantor and Creditor in the execution of this Deed of Trust and the Note and all other instruments securing the Note to contract in strict compliance with applicable usury laws. In furtherance thereof, Creditor and Grantor stipulate and agree that none of the terms and provisions contained in the Loan Instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the usury laws governing the loan evidenced by the Note. Grantor or any guarantor or other party now or hereafter becoming liable for the payment under the Note shall never be liable for unearned interest under the Note and shall never be required to pay interest under the Note at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this Section shall control over all other provisions of the Note and any other instrument executed in connection herewith which may be in apparent conflict herewith. In the event Creditor or any assignee of the Note shall collect amounts which are deemed to constitute interest which would otherwise increase the effective interest rate under the Note to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall be applied to principal immediately upon receipt by Creditor or such assignee, with the same force and effect as though Grantor had specifically designated such and agreed to prepay the principal balance of the Note to such extent.

4.3 Statements by Grantor. Grantor, within ten (10) days after being given notice by mail, will furnish to Creditor a written statement stating the unpaid principal of and interest under the Note and any other amounts secured by this Deed of

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Trust and stating whether any set-off or defense exists against such principal and interest.

4.4 Releases.

Upon full payment of all sums secured hereby Creditor shall mark the Note and any other instruments secured hereby satisfied and return them to Grantor and shall release the lien of this Deed of Trust by executing a full release of lien in recordable form and delivering it to Grantor. The costs of preparing and recording any such release shall be borne by Grantor. Such instruments and the release shall be hand delivered or mailed in the manner set forth herein to the address set forth herein. The recitals in such release of any matters of facts shall be conclusive proof of the truthfulness thereof.

4.5 Notices. Whenever Creditor, Grantor or Trustee shall desire, or are required to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified or registered mail, postage prepaid, return receipt requested, or delivered by a nationally recognized overnight courier service, addressed to the address set forth as follows:

To Grantor:

Jack R. Byrd and Amanda L. Byrd
1809 Lynn Avenue
Anderson, South Carolina 29621

To Creditor:

First Tennessee Bank National Association
701 Market Street
Chattanooga, Tennessee 37402
Attention: Tim Collins, Vice President

To Trustee:

Robert E. Turner
c/o First Tennessee Bank National Association
701 Market Street
Chattanooga, Tennessee 37402

Notice to any assignee hereunder shall be sent to the address directed by such assignee. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change. All such notices, demands, requests and other communications shall be effective when personally delivered or when deposited in the

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mails or delivered to an overnight courier service, addressed as aforesaid.

4.6 Authority of Trustee. At any time more than one Trustee is serving hereunder, any such Trustee may exercise all of the rights, powers, and obligations of the Trustee without the joinder of any other Trustee then serving.

4.7 Acceptance by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is placed of public record as provided by law.

4.8 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

4.9 Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt secured hereby, or if the lien is invalid or unenforceable as to any part of the Collateral, the unsecured or partially unsecured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure of other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not fully secured by the lien of this Deed of Trust.

4.10 Subrogation. To the extent that proceeds of the Note or any other indebtedness secured hereby are used to pay any outstanding lien, charge or prior encumbrance against the Collateral, such proceeds have been or will be advanced by Creditor at Grantor's request and Creditor shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether said liens, charges or encumbrances are released.

4.11 Binding Effect. This Deed of Trust applies to and binds the parties hereto and their respective heirs, executors, administrators, successors and assigns, as well as any subsequent owner of all or any portion of the Collateral.

4.12 Further Assurances. Grantor shall, upon request of Creditor, (i) perform or cause to be performed any act and shall execute and deliver any agreement, document or instrument necessary to effectuate and carry out the purposes and provisions of this Deed of Trust, (ii) furnish Creditor with further assurance of title, or (iii) execute any instrument, document or statement required by law or otherwise in order to perfect, continue or terminate the security provided for herein, and shall pay all costs of filing in connection therewith.

4.13 Amendments. Any amendment to or modification of this Deed of Trust may be made by Grantor and Creditor without the necessity of joinder therein by Trustee.

4.14 Remedies. Every right and remedy provided in this Deed of Trust shall be cumulative with every other right or remedy of Creditor, whether granted herein, under the Note, any other note or instrument evidencing any indebtedness secured hereby, or conferred by law, and may be enforced concurrently therewith, and no acceptance of the performance of any obligation as to which Grantor shall be in default, or waiver of performance of any obligation, shall be construed as a waiver of the same or of any other default then, theretofore, or thereafter existing.

4.15 Payment on Demand. All payments required hereunder, unless otherwise specified, shall be due and payable on demand.

4.16 Letter of Credit. In the event that Grantor's construction loan is increased from Three Million Fifty Thousand Dollars (\$3,050,000.00) to Three Million One Hundred Ten Thousand Dollars (\$3,110,000.00), Grantor shall, prior to any disbursement of such additional amount, furnish to Creditor an unconditional irrevocable letter of credit for Sixty Thousand Dollars (\$60,000.00) on a bank acceptable to Creditor expiring not earlier than February 1, 2001.

IN WITNESS WHEREOF, Grantor has caused this Deed of Trust to be executed, all as of the day and year first above written.

GRANTOR:

Jack R. Byrd

Amanda L. Byrd

PREPARED BY & RETURN TO:
WOODS AND SNYDER, L.L.C.
P O BOX 456
OLIVE BRANCH, MS 38654
(601) 895-2986

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STATE OF MISSISSIPPI)

COUNTY OF DESOTO)

SS

Personally appeared before me, the undersigned authority in and for the above named county and state, on this 12th day of December, 1997, within my jurisdiction, the within named Jack R. Byrd, who acknowledged that he executed the above and foregoing instrument.

James E. Hume
Notary Public

My commission expires on 7-19-99.

STATE OF MISSISSIPPI)

COUNTY OF DESOTO)

SS

Personally appeared before me, the undersigned authority in and for the above named county and state, on this 12th day of December, 1997, within my jurisdiction, the within named Amanda L. Byrd, who acknowledged that she executed the above and foregoing instrument.

James E. Hume
Notary Public

My commission expires on 7-19-99.

LEGAL DESCRIPTION:

Lot 7A, Second Revision, Mid South Center situated in Section 33, Township 1 South, Range 6 West, City of Olive Branch, DeSoto County, Mississippi as per plat recorded in Plat Book 58, Pages 36-37, Chancery Clerk's Office, DeSoto County, Mississippi.

BEGINNING AT A POINT ON THE NORTH RIGHT OF WAY OF MID SOUTH DRIVE BEING THE SOUTH EAST CORNER OF LOT 7A IN SECOND REVISION MID SOUTH CENTER LOT 7; THENCE ALONG SAID RIGHT OF WAY SOUTH 88 DEGREES 06 MINUTES 00 SECONDS WEST 75.82 FEET TO A POINT; THENCE SOUTHWESTWARDLY 166.66 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 256.4 FEET, AND A DELTA ANGLE OF 37 DEGREES 13 MINUTES 58 SECONDS, (CHORD BEARING= SOUTH 69 DEGREES 29 MINUTES 01 SECONDS WEST, CHORD DISTANCE= 163.74 FEET) TO A POINT; THENCE SOUTH 50 DEGREES 52 MINUTES 00 SECONDS WEST 40.00 FEET TO A POINT; THENCE SOUTHWESTWARDLY 67.07 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 85.35 FEET, AND A DELTA ANGLE OF 45 DEGREES 01 MINUTES 34 SECONDS, (CHORD BEARING= SOUTH 65 DEGREES 53 MINUTES 50 SECONDS WEST, CHORD DISTANCE= 65.36 FEET) TO A POINT; THENCE NORTHWESTWARDLY 93.24 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS 347.51 FEET, AND A DELTA ANGLE OF 15 DEGREES 22 MINUTES 22 SECONDS, (CHORD BEARING= NORTH 75 DEGREES 45 MINUTES 28 SECONDS WEST CHORD DISTANCE= 92.96 FEET) TO A POINT; THENCE NORTH 60 DEGREES 42 MINUTES 00 SECONDS WEST 100.00 FEET TO A POINT; THENCE NORTH 71 DEGREES 35 MINUTES 00 SECONDS WEST 72.00 FEET TO A POINT; THENCE NORTHWESTWARDLY 123.53 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 243.04 FEET, AND A DELTA ANGLE OF 29 DEGREES 07 MINUTES 14 SECONDS, (CHORD BEARING= NORTH 86 DEGREES 42 MINUTES 28 SECONDS WEST, CHORD DISTANCE= 122.20 FEET) TO A POINT; THENCE LEAVING SAID RIGHT OF WAY NORTH 03 DEGREES 18 MINUTES 00 SECONDS WEST 328.56 FEET TO A POINT; THENCE NORTH 87 DEGREES 15 MINUTES 00 SECONDS EAST 700.00 FEET TO A POINT; THENCE SOUTH 01 DEGREES 10 MINUTES 00 SECONDS EAST 351.41 FEET TO A POINT OF BEGINNING

Exhibit "A"

JB
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